



Punjab Technical University

Maximum Marks: 90

Time: 90Mins.

Entrance Test for Enrollment in Ph.D Programme

Important Instructions

- Fill all the information in various columns, in Capital letters, with blue/black point pen for attempting the questions
- Use of calculators is not allowed.
- Make attempt by writing the answer in capital Letters in the box against each question number.
- All questions are compulsory. Each Question has only one right answer. No Negative marking for wrong answers.
- Questions attempted with two or more options/answers will not be evaluated.

Stream:Management

DisciplineManagement and Business Administration

Name

Fathers Name

Date

Roll Number

Signature of Candidate:

Signature of Invigilator

1. Which committee was constituted for reforms in tax-structure?

- A. Narsimham Committee.
- B. Chelliah Committee.
- C. Gadgil Committee.
- D. Kelkar Committee.

2. The Sum of squared deviation is the least when taken from:

- A. Mode
- B. Median.
- C. Arithmetic Mean.
- D. Geometric Mean.

3. The Fisher Index Number is:

- A. GM of Laspeyres and Paasche index numbers
- B. AM of Laspeyres and Paasche index numbers
- C. HM of Laspeyres and Paasche index numbers
- D. GM of Laspeyres and Marshall-Edge worth index numbers

4. Which of the following speculative activities is based on disparity in quote prices in different markets?

- A. Option dealing
- B. Arbitrage
- C. Margin trading
- D. Blank transfers

5. Who wrote Management and Moral?

- A. Taylor
- B. Roethliberger
- C. Riggs
- D. Marshall

6. A firm enjoys maximum control over the price of its product under:

- A. Monopoly
- B. Perfect competition
- C. Oligopoly
- D. Imperfect competition

7. The famous book "The Philosophy of Management" was written by

- A. Henery Fayol
- B. Oliver Sheldon
- C. F. W. Taylor
- D. Urwick

8. The first stock exchange was set up in India in

- A. Calcutta
- B. Bombay
- C. Delhi
- D. Madras

9. Of the three costs relevant to a decision on inventory, which is the most difficult to estimate?

- A. Shortage costs
- B. Carrying Costs
- C. Order costs
- D. Transportation costs

10. Increasing returns imply:

- A. Constant average cost
- B. Diminishing cost per unit of output
- C. Optimum use of capital and factor
- D. External economies

11. Just in Time inventory system was first developed by

- A. Ford Car Company
- B. Toyota Car Company
- C. Honda Car Company
- D. Suzuki Car Company

12. A BC approach to inventory management seeks to facilitate

- A. Management by exceptions
- B. Management by objectives
- C. Management by crisis
- D. Management by initiative

13. In VED analysis, D stands for

- A. Desirable
- B. Demand
- C. Distribution
- D. Dividend

14. Following information is available in respect of a material item; minimum limit 500 units, maximum limit 2500 units, daily requirement of material 100 units, time required for fresh delivery 10 days. The ordering level will be

- A. 1000 units
- B. 1500 units
- C. 2000 units
- D. 2500 units

15. Following information is available in respect of a material item; opening stock of material Rs. 87500, closing stock of material Rs. 62500, material purchased during the period Rs. 125000. The average inventory holding period will be

- A. 182.5 days
- B. 165.5 days
- C. 125.5 days
- D. 186.5 days

16. Fragments or remnants of material that are left from certain type of manufacture having small value without further processing is known as

- A. Scrap
- B. Wastage
- C. Spoilage
- D. Defectives

17. Kaizen is

- A. The philosophy of continuous improvement involving everyone
- B. The philosophy of periodic improvement involving everyone
- C. The philosophy of periodic improvement in material handling
- D. The philosophy of periodic improvement in human skills

18. Job analysis can be used in compensation to identify

- A. Service
- B. Product
- C. Skill Level and work environment
- D. Cost

19. ETOP is a technique for

- A. Accounting control
- B. Diagnosis
- C. Production control
- D. Inventory control

20. A paid form of non-personal communication about a product that is transmitted to a target audience through mass media is

- A. Publicity
- B. Sales Promotion
- C. Advertising
- D. Personal Selling

21. Who introduced the 4P's of marketing mix?

- A. Mc Carthy
- B. Philip Kotler
- C. Levitt
- D. Peter F Drucker

22. Bird in hand argument while explaining the relevance of dividends was given by:

- A. Modigliani and Miller
- B. Walter
- C. Gordon
- D. Solomon

23. LIBOR is a term for

- A. International financial market
- B. Common euro market
- C. Capital market
- D. Accounting principles

24. Which institute was the first to issue a Deep Discount Bonds in India in January, 1992?

- A. IDBI
- B. ICICI
- C. IFCI
- D. HDFC

25. Binomial distribution was developed by

- A. Fisher
- B. Marshal
- C. Jacob Bernoulli
- D. Bordington

26. A good index number is one that satisfies

- A. Unit test
- B. Time reversal test
- C. Factor reversal test
- D. Both 'B' and 'C'

27. A hypothesis that asserts that there is no true difference in the sample and the population in the particular matter under study is termed as

- A. Null hypothesis
- B. True hypothesis
- C. Alternate hypothesis
- D. Rejected hypothesis

28. The term grapevine means

- A. Formal communication
- B. Informal communication
- C. Diagonal communication
- D. Vertical communication

29. In management, the term 'policy' means
- A. Set of guidelines for making repetitive decisions
 - B. Set of guidelines for making exceptional decision
 - C. Set of guidelines for making novel decisions
 - D. Set of guidelines for making complex decision
30. The founder of functional approach to management Henry Fayol was
- A. A bureaucrat
 - B. A construction engineer
 - C. A mining engineer
 - D. A metallurgy expert
31. Theory X is a theory of
- A. Controlling
 - B. Financial Planning
 - C. Motivation
 - D. Learning
32. Linear Programming was developed by:
- A. Monte Carlo
 - B. Stantan
 - C. George V Datzing
 - D. Steav Macrolan
33. In a PERT Chart, the critical path is:
- A. The shortest path
 - B. The longest path
 - C. The toughest path
 - D. The easiest path
34. Zero Based Budgeting was first tried in 1973 by:
- A. Jimmy Carter
 - B. J M Keynes
 - C. Samuelson
 - D. Prof. Pigou
35. The Managerial Grid Theory was developed by:
- A. Burns
 - B. Peter F Drucker

- C. Blake and Mouton
- D. Stephen Robbins

36. Small Scale industries face competition from

- A. Rising prices
- B. Cheap imports
- C. Exports
- D. Subsidy

37. Which approach to management emphasizes managing people by understanding their individual psychological needs?

- A. Empirical Approach
- B. Decision Theory Approach
- C. Management Science Approach
- D. Interpersonal Behavior Approach

38. Which of the following would generally **not** be associated with a successful JIT program, for the purpose of inventory control?

- A. Well-organized receiving and handling of materials purchased from suppliers
- B. Strong management commitment
- C. Suppliers located in diverse and distant locations
- D. High quality of materials purchased from supplier

39. Behaviorally Anchored Rating Scales (BARS) is a sophisticated performance rating method. Which of the following is not true with regard to BARS?

- A. BARS minimizes subjective interpretation inherent in graphic rating scales
- B. BARS makes use of 'anchors' (common reference points of performance)
- C. BARS concentrates on job-specific behaviors and hence is highly meaningful
- D. BARS is a simple and cost-effective rating method

40. "Morale is a readiness to co-operate warmly in the tasks and purposes of a given group or organization" is the statement given by

- A. Alldrich
- B. Viteles
- C. Ackoof
- D. Peter F Drucker

41. Organizational culture is the collection of shared values, beliefs, rituals, stories, myths and specialized language that foster a feeling of community among organization members. Which of the following is not a characteristic of organization culture?

- A. It differentiates one organization from another
 - B. It defines the internal environment of an organization
 - C. It ensures consistency in the behavior of organization members
 - D. It remains absolutely stable throughout the life of an organization
42. Which of the following refers to the flow of information among persons at different levels, who have no direct reporting relationships?
- A. Horizontal communication
 - B. Diagonal communication
 - C. Upward communication
 - D. Downward communication
43. The strengths and weaknesses of each alternative become obvious in which step of the decision making-process?
- A. Identifying the problem
 - B. Identifying the decision criteria
 - C. Analyzing the alternatives
 - D. Implementing the alternative
44. Managers making ethical decisions may belong to any of the three levels of moral development. Which of the following stages describes the conventional level of moral development?
- A. Following rules only when it is in one's immediate interest
 - B. Valuing rights of others and upholding absolute values and rights, regardless of the majority's opinion
 - C. Sticking to rules to avoid physical punishment
 - D. Living up to what is expected by people who are close to oneself
45. Which of the following steps in the planning process involves the organization asking the question "in which environment – internal or external – will our plans operate"?
- A. Formulating supporting plans
 - B. Comparing alternatives in the light of goals
 - C. Considering planning premises
 - D. Identifying alternatives
46. The concept of span of management concerns
- A. Seeing that managers at the same level have equal numbers of subordinates
 - B. Employee skill and motivation levels
 - C. Supervision of one less than the known number of subordinates
 - D. A determination of the number of individuals a manager can effectively supervise

- B. Social needs
- C. Physiological needs
- D. Esteem

53. According to Hersey and Blanchard, when followers are in the initial "readiness" stage, the leader's behavior should be

- A. High task and high relationship
- B. High task and low relationship
- C. Low task and low relationship
- D. Low task and high relationship

54. Divisional structure is a type of departmentation in which positions are grouped according to similarity of products, services or markets. Which of the following is **not** an advantage of divisional Structure?

- A. Each unit or division can respond or react quickly, when required, because they normally do not need to coordinate with other divisions before taking an action
- B. Coordination is simplified as each division is similar to an organization, containing the various functions within it
- C. Individuals are able to develop in-depth areas of specialization to the same extent as in a functional structure
- D. It helps the organization to focus on serving a particular customer

55. According to the Scientific Management School of Thought, which of the following is defined as the systematic, objective and critical examination of all the factors governing the operational efficiency of a specified activity to bring about improvement?

- A. Work methods study
- B. Micro motion study
- C. Time study
- D. Motion study

56. When decision makers construct simplified models that extract the essential features from a problem without capturing all the complexities of a problem, they are acting under which of the following?

- A. Bounded rationality
- B. Unbounded rationality
- C. Uncertainty
- D. Heuristics

57. The selection process involves choosing the candidates who best meet the qualifications and have the greatest aptitude for the job. Different kinds of selection devices are used for the purpose. Which of the following selection devices involves presenting applicants with a miniature model of a job and have them perform a task that is central to that job?

- A. 1 only
- B. 1 and 2 only
- C. 1 and 3 only
- D. 1, 2, 3 and 4

63. The imposition of a ceiling on a monopolist's price will affect his

- A. Profits only
- B. Average revenue in the short-run only
- C. Equilibrium output only
- D. Equilibrium output and profits

64. The Greatman theory of leadership led to the rise of

- A. The Behavioural theory of leadership
- B. The Trait theory of leadership
- C. The situational theory of leadership
- D. The contingency theory of leadership

65. Which of the following is not likely to be a fraud risk factor relating to management's characteristics?

- A. Tax evasion
- B. Failure to correct known weakness in internal control system
- C. Adoption of conservative accounting principles
- D. High management turnover

66. Professional skepticism requires that the auditor assume that management is;

- A. Reasonably honest
- B. Neither honest nor dishonest
- C. Not necessarily honest
- D. Dishonest unless proved otherwise

67. An auditor who accepts an audit but does not possess the industry expertise of the business entity should

- A. engage experts
- B. obtain knowledge of matters that relate to the nature of entity's business
- C. inform management about it

- D. take help of other auditors
68. Which of the following expenses should not be treated as capital expenditure?
- A. Expenses paid on installation of a plant.
 - B. Cost of dismantling a building in case a new building is to be constructed on the land
 - C. Legal expenses incurred to defend a suit related to title of patent. The suit has been lost
 - D. The fees paid to engineer who constructed the plant.
69. Which of the following is not a revenue expense?
- A. Interest on a loan
 - B. Cost of accessories of motor vehicles spent at the time of purchase
 - C. Expenses incurred for safeguarding of land owned
 - D. Insurance premium paid at the time of registration of the ship
70. Which of the following will not lead to creation of secret reserve?
- A. Undervaluation of closing stock
 - B. Charging capital expenditure to revenue
 - C. Goods sent on consignment being shown as actual sales
 - D. Charging higher rates of depreciation on fixed assets than actually required
71. Who is responsible for the appointment of statutory auditor of a limited company?
- A. Directors of the company
 - B. Members of the company
 - C. The Central Government
 - D. All of the above
72. Heavy initial advertisement expense on introducing a new product in the market should be classified as
- A. Capital expenditure
 - B. Revenue expenditure
 - C. Deferred revenue expenditure
 - D. Deferred capital expenditure
73. When Last in First-out (LIFO) method is in use, the ending inventory is valued at the
- A. Market prices prevailing at the time of valuation.

- B. Most recent costs paid for merchandise
- C. Oldest prices paid for merchandise
- D. Prices far off from the actual cost

74. When shares are forfeited, capital account is debited by.

- A. Forfeited amount
- B. Called up amount on shares
- C. Normal value of shares
- D. Paid up amount on shares

75. The two broad categories of credit control techniques available with RBI are:

- A. Specific and non specific.
- B. Statistical and non statistical
- C. Quantitative and qualitative
- D. Regular and irregular

76. A written undertaking given by a bank on behalf of its customer promising to pay a certain sum of money is called:

- A. Bill of exchange
- B. Open key advance
- C. Letter of credit
- D. Collateral security

77. Agency costs include:

- A. Costs involved in maximization of management's own personal wealth, power and position
- B. Costs involved in the unnecessary increase in the size of the organization
- C. Liberal salaries and perquisites to managers
- D. All of the above

78. The required rate of return of a security under CAPM depends on:

- A. Riskless rate of return
- B. Market risk premium
- C. Security's beta value
- D. All of the above

79. Unsystematic risk signifies:

- A. Project Specific Risk
- B. Industry- Wide Risk
- C. Economy- Wide Risk
- D. Risk Due to Govt. Policies

80. Residual Dividend Policy is based on the theory that:

- A. Dividend decision does not affect the market value of shares
- B. Internal financing is cheaper than external financing
- C. Internal financing is resorted when external debt financing is not feasible
- D. Dividends are irrelevant

81. Which one of the following is not an economic or social benefit of a project?

- A. Producing an import substitute and thereby saving the foreign exchange
- B. Facilities of the firm extended to the local people
- C. Mixing the industrial wastes into nearby river providing drinking water
- D. Providing good landscape in the nearby localities

82. The before tax percentage cost of debt to the company is termed as:

- A. Yield to maturity
- B. Production cost
- C. Cost of maturity
- D. Capital cost

83. Spicejet Airlines will pay a Rs.4 dividend next year on its equity share, which is currently selling at Rs.100 per share. What is the market's required return on this investment if the dividend is expected to grow at 5% forever?

- A. 4 percent.
- B. 5 percent.
- C. 7 percent.
- D. 9 percent

84. The risk-free security has a beta equal to _____; while the market portfolio's beta is equal to _____.

- A. One; more than one.
- B. One; less than one.
- C. Zero; one.
- D. Less than zero; more than zero.

85. Kamla Steroids Limited has an 8 percent return on total assets of Rs.300,000 and a net profit margin of 5 percent. What are its sales?

- A. Rs.3,750,000
- B. Rs.480,000
- C. Rs.300,000
- D. Rs.1,500,000

86. Human resource can be thought of as the "total knowledge, skill, creative abilities, talents and attitudes of an organization's work force as well as the value attitudes and beliefs of the individuals involved". Who gave this statement?

- A. Leon C. Megginson
- B. Philopho
- C. Koteler
- D. Merton

87. Which one of the followings pairs is correctly matched?

- A. F.W. Taylor- Scientific management
- B. Henry Fayol- Human relations approach
- C. Elton Mayo- Psychological approach
- D. Marry Parker Follet- Universality of management

88. Profitability index in capital budgeting decisions is also known as

- A. Benefit cost ratio
- B. Cost benefit ratio
- C. Capital rationing
- D. Indexed benefits

89. Management by Exception is more suitable when

- A. Subordinate use their authority and understanding fully
- B. Officers assume it necessary to perform every activity on their own
- C. Work performance is time consuming
- D. Cost benefit analysis is unnecessary

90. If a firm has a DOL of 5 at Q units, this tells us that:

- A. if sales rise by 5%, EBIT will rise by 5%.
- B. if sales rise by 1%, EBIT will rise by 1%.
- C. if sales rise by 5%, EBIT will fall by 25%.
- D. if sales rise by 1%, EBIT will rise by 5%.